

TOWNSHIP OF WISNER
Tuscola County, Michigan

GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended March 31, 2006

AUDITING PROCEDURES REPORT

Issue under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Wisner	County Tuscola
Audit Date March 31, 2006	Opinion Date May 9, 2006	Date Accountant Report Submitted to State: July 7, 2006	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during they year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Campbell, Kusterer & Co., P.C.			
Street Address 512 N. Lincoln, Suite 100, P.O. Box 686	City Bay City	State MI	Zip 48707
Accountant Signature Campbell, Kusterer & Co., P.C.			

TOWNSHIP OF WISNER
Tuscola County, Michigan

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	2-4
Basic Financial Statements:	
Government-wide Financial Statements:	
Government-wide Statement of Net Assets	5
Government-wide Statement of Activities	6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	7
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets	8
Statement of Revenues, Expenditures, and Changes in Fund Balances	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	10
Notes to Financial Statements	11-16
Required Supplemental Information:	
Budgetary Comparison Schedule- General Fund	17
Budgetary Comparison Schedule- Emergency Vehicle Fund	18
Budgetary Comparison Schedule- Road Fund	19
Budgetary Comparison Schedule- Fire and Ambulance Fund	20
Budgetary Comparison Schedule- Garbage Fund	21
Other supporting information:	
General Fund Expenditures by Detailed Account	22-23
Combining Balance Sheet- All Special Revenue Funds	24
Combining Statement of Revenues, Expenditures and Changes in Fund Balances- All Special Revenue Funds	25
Current Tax Collection Fund Statement of Changes in Assets and Liabilities	26
Current Tax Collection Fund Statement of Cash Receipts and Disbursements	27

CAMPBELL, KUSTERER & CO., P.C.

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INDEPENDENT AUDITOR'S REPORT

May 9, 2006

To the Township Board
Township of Wisner
Tuscola County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Wisner, Tuscola County, Michigan, as of March 31, 2006, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township of Wisner's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Wisner, Tuscola County, Michigan, as of March 31, 2006, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*, as of April 1, 2005.

The Management's Discussion and Analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Township's basic financial statements. The other supporting information described in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Campbell, Kusterer & Co., P.C.
CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants

TOWNSHIP OF WISNER
Tuscola County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2006

This section of the Wisner Township annual financial report presents our discussion and analysis of the financial performance during the fiscal year ended March 31, 2006. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. Net assets at March 31, 2006 totaled \$324,607.88 for governmental activities. Of this total, \$7,890.60 represents capital assets net of depreciation and related debt. Overall, net assets increased by \$68,618.53 from the prior year.

Overall revenues were \$219,315.42. Overall expenses were \$154,168.69.

The tax base increased by 2.2 percent.

We did not incur any new debt during the year.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts, management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township and the notes to the financial statements.

The first two statements are Township-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental and business-type activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

ENTITY-WIDE FINANCIAL STATEMENTS

The entity-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity-wide statements report net assets and how they have changed. Net assets are the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

Over time increases/decreases in the entity's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the entity you may also have to consider additional factors such as tax base changes, facility conditions and personnel changes.

All of the activities of the Township are reported as governmental activities. These would include the General Fund, Road Fund, Garbage Fund, Emergency Vehicle Fund, and the Fire and Ambulance Fund.

TOWNSHIP OF WISNER
Tuscola County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2006

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

The Township has the following types of funds:

Governmental Funds: All of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them. The Township's governmental funds include: General, Road, Garbage, Emergency Vehicle and Fire and Ambulance Funds.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's governmental net assets increased \$68,618.83 during the year ended March 31, 2006 totaling \$324,607.88.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund: This fund is used to record all activities of the Township not required to be recorded in a separate fund. This would include legislative, administrative, elections, public safety, motor pool, public works, and building and grounds. The major source of revenue for the general fund is from property taxes and revenue sharing from the State of Michigan.

Road Fund:

Major Streets: This fund is used to record revenues and expenses for roads located within the Township. The major source of revenue comes from property taxes. The major expense for this fund is paving and repairs to roads.

Fire and Ambulance Fund: This is used to record wages and contracts payable to Akron and Unionville Ambulance and Fire Departments. The major source of revenue comes from appropriations from property taxes.

Emergency Vehicle Fund: This fund is used to record revenues and expenses of the Emergency vehicle. Revenue comes from property taxes.

Garbage Fund: This fund is used to record revenues and expenses for the Township Garbage Fund. The revenue comes from special assessments.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Additions to the Township's governmental fund capital assets for this year totaled \$4,280.00.

The Township has no long-term debt at this time.

TOWNSHIP OF WISNER
Tuscola County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2006

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

The Township's plans for the future include street, water, and sewer system improvements to system and the completion of the electric conversion.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is intended to provide our taxpayers, creditors, investors and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact James MacFarlane, Supervisor at (989)892-8868 or Annette Rieck, Treasurer at (989)894-7135 during the hours of 12:00-4:00 pm, Monday through Friday.

TOWNSHIP OF WISNER
Tuscola County, Michigan

GOVERNMENT-WIDE STATEMENT OF NET ASSETS

March 31, 2006

	<u>Governmental Activities</u>
ASSETS:	
CURRENT ASSETS:	
Cash in bank	297 539 27
Taxes receivable	<u>19 178 01</u>
Total Current Assets	<u>316 717 28</u>
NON-CURRENT ASSETS:	
Capital Assets	27 369 00
Less: Accumulated Depreciation	<u>(19 478 40)</u>
Total Non-current Assets	<u>7 890 60</u>
TOTAL ASSETS	<u><u>324 607 88</u></u>
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
CURRENT LIABILITIES	
Total Current Liabilities	<u>-</u>
NON-CURRENT LIABILITIES	<u>-</u>
Total Non-current Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	7 890 60
Unrestricted	<u>316 717 28</u>
Total Net Assets	<u>324 607 88</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>324 607 88</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF WISNER
Tuscola County, Michigan

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year ended March 31, 2006

	<u>Expenses</u>	<u>Program Revenue</u>	<u>Governmental Activities Net (Expense) Revenue and Changes in Net Assets</u>
FUNCTIONS/PROGRAMS			
Governmental Activities:			
Legislative	7 018 13	-	(7 018 13)
General government	49 113 82	7 765 67	(41 348 15)
Public safety	27 880 89	-	(27 880 89)
Public works	66 684 05	42 240 00	(24 444 05)
Total Governmental Activities	<u>150 696 89</u>	<u>50 005 67</u>	<u>(100 691 22)</u>
General Revenues:			
Property taxes			102 769 64
State revenue sharing			55 807 62
Interest			3 939 75
Miscellaneous			6 792 74
Total General Revenues			<u>169 309 75</u>
Change in net assets			68 618 53
Net assets, beginning of year			<u>255 989 35</u>
Net Assets, End of Year			<u>324 607 88</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF WISNER
Tuscola County, Michigan

BALANCE SHEET – GOVERNMENTAL FUNDS
March 31, 2006

<u>Assets</u>	<u>General</u>	<u>Emergency Vehicle</u>	<u>Road</u>
Cash in bank	143 986 52	23 108 92	5 873 41
Taxes receivable	19 178 01	-	-
Due from other funds	<u>16 124 60</u>	<u>14 822 35</u>	<u>39 244 01</u>
Total Assets	<u>179 289 13</u>	<u>37 931 27</u>	<u>45 117 42</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Unreserved			
Undesignated	<u>179 289 13</u>	<u>37 931 27</u>	<u>45 117 42</u>
Total fund equity	<u>179 289 13</u>	<u>37 931 27</u>	<u>45 117 42</u>
Total Liabilities and Fund Equity	<u>179 289 13</u>	<u>37 931 27</u>	<u>45 117 42</u>

The accompanying notes are an integral part of these financial statements.

<u>Fire and Ambulance</u>	<u>Garbage</u>	<u>Total</u>
3 232 84	24 633 91	200 835 60
-	-	19 178 01
<u>19 432 71</u>	<u>7 080 00</u>	<u>96 703 67</u>
<u>22 665 55</u>	<u>31 713 91</u>	<u>316 717 28</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>22 665 55</u>	<u>31 713 91</u>	<u>316 717 28</u>
<u>22 665 55</u>	<u>31 713 91</u>	<u>316 717 28</u>
<u>22 665 55</u>	<u>31 713 91</u>	<u>316 717 28</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
March 31, 2006

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS	316 717 28
Amounts reported for governmental activities in the statement of net assets are different because –	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet:	
Capital assets at cost	27 369 00
Accumulated depreciation	<u>(19 478 40)</u>
TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u><u>324 607 88</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF WISNER
Tuscola County, Michigan

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES- GOVERNMENTAL FUNDS
Year ended March 31, 2006

	<u>General</u>	<u>Emergency Vehicle</u>	<u>Road</u>
Revenues:			
Property taxes	29 270 57	14 822 35	39 244 01
Special assessments	-	-	-
State revenue sharing	55 807 62	-	-
Charges for services:			
Cemetery lot sales	2 200 00	-	-
Tax collection	5 565 67	-	-
Interest	3 439 50	179 51	197 59
Miscellaneous	<u>6 792 74</u>	<u>-</u>	<u>-</u>
Total revenues	<u>103 076 10</u>	<u>15 001 86</u>	<u>39 441 60</u>
Expenditures:			
Legislative:			
Township Board	7 018 13	-	-
General government:			
Supervisor	6 543 81	-	-
Elections	311 75	-	-
Assessor	5 733 00	-	-
Clerk	6 321 32	-	-
Board of Review	715 00	-	-
Treasurer	5 751 29	-	-
Buildings and grounds	14 416 25	-	-
Cemetery	8 513 20	-	-
Public safety:			
Fire and ambulance protection	-	3 742 14	-
Planning and zoning	320 00	-	-
Public works:			
Highways and streets	415 35	-	37 228 79
Sanitation	1 253 75	-	-
Drains at large	17 226 16	-	-
Capital outlay	<u>4 280 00</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>78 819 01</u>	<u>3 742 14</u>	<u>37 228 79</u>
Excess of revenues over expenditures	24 257 09	11 259 72	2 212 81
Fund balances, April 1	<u>155 032 04</u>	<u>26 671 55</u>	<u>42 904 61</u>
Fund Balances, March 31	<u><u>179 289 13</u></u>	<u><u>37 931 27</u></u>	<u><u>45 117 42</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Fire and Ambulance</u>	<u>Garbage</u>	<u>Total</u>
19 432 71	-	102 769 64
-	42 240 00	42 240 00
-	-	55 807 62
-	-	2 200 00
-	-	5 565 67
89 24	33 91	3 939 75
-	-	6 792 74
<u>19 521 95</u>	<u>42 273 91</u>	<u>219 315 42</u>
-	-	7 018 13
-	-	6 543 81
-	-	311 75
-	-	5 733 00
-	-	6 321 32
-	-	715 00
-	-	5 751 29
-	-	14 416 25
-	-	8 513 20
23 818 75	-	27 560 89
-	-	320 00
-	-	37 644 14
-	10 560 00	11 813 75
-	-	17 226 16
-	-	4 280 00
<u>23 818 75</u>	<u>10 560 00</u>	<u>154 168 69</u>
(4 296 80)	31 713 91	65 146 73
<u>26 962 35</u>	-	<u>251 570 55</u>
<u>22 665 55</u>	<u>31 713 91</u>	<u>316 717 28</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended March 31, 2006

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS 65 146 73

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures; in the Statement of Activities,
these costs are allocated over their estimated useful lives as depreciation

Depreciation Expense
Capital Outlay

(808 20)
4 280 00

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

68 618 53

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF WISNER
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Township of Wisner, Tuscola County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

The financial statements of the Township contain all the Township's funds that are controlled by or depended on the Township's executive or legislative branches.

The reporting entity is the Township of Wisner. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements, (the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Township's government-wide activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments and other items not properly included among program revenues are reported as general revenue.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

TOWNSHIP OF WISNER
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

Note 1– Summary of Significant Accounting Policies (continued)

Governmental Funds

General Fund

This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

Special Revenue Funds

These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

Fiduciary Fund

The Current Tax Collection Fund is used to account for assets held as an agent for others.

Assets, Liabilities and Net Assets or Equity

Bank deposits and investments- Cash and cash equivalent investments include cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The Township 2005 tax roll millage rate was 5.0493 and the taxable value was \$20,354,779.00.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

TOWNSHIP OF WISNER
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are defined by the Township as assets with an initial cost of more than \$1,000.00 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings, additions and improvements	25 years
Furniture and equipment	3-10 years

Compensated Absences (Vacation and Sick Leave)

Employees are not allowed to accumulate vacation and sick pay.

Post-employment Benefits

The Township provides no post-employment benefits to past employees.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Accounting Change

Effective April 1, 2005, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

A Management's Discussion and Analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.

Government-wide financial statements (Statement of Net Assets and Statement of Activities) prepared using the full accrual account for all the Township's activities have been provided.

Capital assets in the governmental activities column of the Statement of Net Assets include net assets totaling \$7,890.60.

TOWNSHIP OF WISNER
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

Note 2 – Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Note 3 – Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated two banks for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	<u>Carrying Amounts</u>
Total Deposits	<u>297,539.27</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

Note 3 – Deposits and Investments (continued)

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	<u>Bank Balances</u>
Insured (FDIC)	200 000 00
Uninsured and Uncollateralized	<u>97 725 98</u>
Total Deposits	<u><u>297 725 98</u></u>

The Township of Wisner did not have any investments as of March 31, 2006.

Note 4 – Capital Assets

Capital asset activity of the Township's Governmental activities for the current year was as follows:

	<u>Balance 4/1/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/06</u>
<u>Governmental Activities:</u>				
Land	3 000 00	-	-	3 000 00
Buildings	14 000 00	-	-	14 000 00
Equipment	<u>6 089 00</u>	<u>4 280 00</u>	-	<u>10 369 00</u>
Total	23 089 00	4 280 00	-	27 369 00
Accumulated Depreciation	<u>(18 670 20)</u>	<u>(808 20)</u>	-	<u>(19 478 40)</u>
Net Capital Assets	<u><u>4 418 80</u></u>	<u><u>3 471 80</u></u>	<u>-</u>	<u><u>7 890 60</u></u>

Note 5 – Pension Plan

The Township does not have a pension plan.

Note 6 – Deferred Compensation Plan

The Township does not have a deferred compensation plan.

Note 7 – Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for property loss, torts and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 8 – Building Permits

The Township of Wisner does not issue building permits. Building permits are issued by the County of Tuscola.

TOWNSHIP OF WISNER
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

Note 9 – Interfund Receivables and Payables

The amounts of interfund receivables and payables are as follows::

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	16 124 60	Current Tax Collection	<u>96 703 67</u>
Emergency Vehicle	14 822 35		
Road	39 244 01		
Fire and Ambulance	19 432 71		
Garbage	<u>7 080 00</u>		
Total	<u>96 703 67</u>	Total	<u>96 703 67</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

Year ended March 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues:				
Property taxes	33 800 00	33 800 00	29 270 57	(4 529 43)
State revenue sharing	50 000 00	50 000 00	55 807 62	5 807 62
Charges for services:				
Cemetery lot sales	800 00	800 00	2 200 00	1 400 00
Tax collection	4 500 00	4 500 00	5 565 67	1 065 67
Interest	1 200 00	1 200 00	3 439 50	2 239 50
Miscellaneous	600 00	600 00	6 792 74	6 192 74
Total revenues	<u>90 900 00</u>	<u>90 900 00</u>	<u>103 076 10</u>	<u>12 176 10</u>
Expenditures:				
Legislative:				
Township Board	16 395 00	16 395 00	7 018 13	(9 376 87)
General government:				
Supervisor	6 582 00	6 582 00	6 543 81	(38 19)
Elections	1 200 00	1 200 00	311 75	(888 25)
Assessor	5 733 00	5 733 00	5 733 00	-
Clerk	7 032 00	7 032 00	6 321 32	(710 68)
Board of Review	1 200 00	1 200 00	715 00	(485 00)
Treasurer	6 032 00	6 032 00	5 751 29	(280 71)
Building and grounds	14 500 00	14 500 00	14 416 25	(83 75)
Cemetery	14 500 00	14 500 00	8 513 20	(5 986 80)
Public safety:				
Planning and zoning	455 00	455 00	320 00	(135 00)
Public works:				
Highways and streets	25 900 00	25 900 00	415 35	(25 484 65)
Sanitation	3 050 00	3 050 00	1 253 75	(1 796 25)
Drains at large	17 500 00	17 500 00	17 226 16	(273 84)
Capital outlay	<u>4 500 00</u>	<u>4 500 00</u>	<u>4 280 00</u>	<u>(220 00)</u>
Total expenditures	<u>124 579 00</u>	<u>124 579 00</u>	<u>78 819 01</u>	<u>(45 759 99)</u>
Excess (deficiency) of revenues over expenditures	(33 679 00)	(33 679 00)	24 257 09	57 936 09
Fund balance, April 1	<u>120 867 88</u>	<u>120 867 88</u>	<u>155 032 04</u>	<u>34 164 16</u>
Fund Balance, March 31	<u>87 188 88</u>	<u>87 188 88</u>	<u>179 289 13</u>	<u>92 100 25</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

BUDGETARY COMPARISON SCHEDULE- EMERGENCY VEHICLE FUND
Year ended March 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues:				
Property taxes	14 400 00	14 400 00	14 822 35	422 35
Interest	<u>70 00</u>	<u>70 00</u>	<u>179 51</u>	<u>109 51</u>
Total revenues	<u>14 470 00</u>	<u>14 470 00</u>	<u>15 001 86</u>	<u>531 86</u>
Expenditures:				
Public safety:				
Fire and ambulance protection	<u>13 000 00</u>	<u>13 000 00</u>	<u>3 742 14</u>	<u>(9 257 86)</u>
Total expenditures	<u>13 000 00</u>	<u>13 000 00</u>	<u>3 742 14</u>	<u>(9 257 86)</u>
Excess (deficiency) of revenues over expenditures	1 470 00	1 470 00	11 259 72	9 789 72
Fund balance, April 1	<u>10 771 35</u>	<u>10 771 35</u>	<u>26 671 55</u>	<u>15 900 20</u>
Fund Balance, March 31	<u>12 241 35</u>	<u>12 241 35</u>	<u>37 931 27</u>	<u>25 689 92</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

BUDGETARY COMPARISON SCHEDULE- ROAD FUND
Year ended March 31,2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues:				
Property taxes	38 200 00	38 200 00	39 244 01	1 044 01
Interest	<u>150 00</u>	<u>150 00</u>	<u>197 59</u>	<u>47 59</u>
Total revenues	<u>38 350 00</u>	<u>38 350 00</u>	<u>39 441 60</u>	<u>1 091 60</u>
Expenditures:				
Public works:				
Highways and streets	<u>40 500 00</u>	<u>40 500 00</u>	<u>37 228 79</u>	<u>(3 271 21)</u>
Total expenditures	<u>13 000 00</u>	<u>13 000 00</u>	<u>37 228 79</u>	<u>(3 271 21)</u>
Excess (deficiency) of revenues over expenditures	(2 150 00)	(2 150 00)	2 212 81	4 362 81
Fund balance, April 1	<u>6 850 43</u>	<u>6 850 43</u>	<u>42 904 61</u>	<u>36 054 18</u>
Fund Balance, March 31	<u><u>4 700 43</u></u>	<u><u>4 700 43</u></u>	<u><u>45 117 42</u></u>	<u><u>40 416 99</u></u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

BUDGETARY COMPARISON SCHEDULE- FIRE AND AMBULANCE FUND
Year ended March 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:				
Property taxes	18 900 00	18 900 00	19 432 71	532 71
Interest	100 00	100 00	89 24	(10 76)
Total revenues	19 000 00	19 000 00	19 521 95	521 95
Expenditures:				
Public safety:				
Fire and ambulance protection	25 500 00	25 500 00	23 818 75	(1 681 25)
Total expenditures	25 500 00	25 500 00	23 818 75	(1 681 25)
Excess (deficiency) of revenues over expenditures	(6 500 00)	(6 500 00)	(4 296 80)	2 203 20
Fund balance, April 1	14 544 94	14 544 94	26 962 35	12 417 41
Fund Balance, March 31	8 044 94	8 044 94	22 665 55	14 620 61

TOWNSHIP OF WISNER
Tuscola County, Michigan

BUDGETARY COMPARISON SCHEDULE- GARBAGE FUND
Year ended March 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues:				
Property taxes	-	42 000 00	42 240 00	240 00
Interest	-	-	33 91	33 91
Total revenues	-	42 000 00	42 273 91	273 91
Expenditures:				
Public safety:				
Sanitation	-	42 000 00	10 560 00	(31 440 00)
Total expenditures	-	42 000 00	10 560 00	(31 440 00)
Excess (deficiency) of revenues over expenditures	-	-	31 713 912	31 713 91
Fund balance, April 1	-	-	-	-
Fund Balance, March 31	-	-	31 713 91	31 713 91

TOWNSHIP OF WISNER
Tuscola County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT

Year Ended March 31, 2006

Township Board:	
Wages	4 370 00
Supplies	1 650 31
Dues and miscellaneous	997 82
	<u>7 018 13</u>
Supervisor:	
Salary	6 081 96
Mileage	461 85
	<u>6 543 81</u>
Elections:	
Wages	311 75
Assessor:	
Salary	5 733 00
Clerk:	
Salary	6 081 96
Deputy	130 51
Mileage	108 85
	<u>6 321 32</u>
Board of Review:	
Wages	715 00
Treasurer:	
Salary	5 589 04
Deputy	36 25
Mileage	126 00
	<u>5 751 29</u>
Building and grounds:	
Utilities	2 070 18
Payroll taxes	2 259 75
Insurance	3 474 00
Legal	1 200 00
Audit	800 00
Supplies	1 538 54
Repairs and maintenance	25 00
Printing and publishing	3 048 78
	<u>14 416 25</u>
Cemetery:	
Salary	7 909 05
Supplies	604 15
	<u>8 513 20</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year Ended March 31, 2006

Planning and zoning:	
Wages	<u>320 00</u>
Highways and streets:	
Overhead lighting	<u>415 35</u>
	<u>415 35</u>
Sanitation:	
Wages	128 75
Contracted services	1 025 00
Miscellaneous	<u>100 00</u>
	<u>1 253 75</u>
Drains at large	<u>17 226 16</u>
Insurance	<u>4 280 00</u>
Total Expenditures	<u><u>78 819 01</u></u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

BALANCE SHEET – ALL SPECIAL REVENUE FUNDS
March 31, 2006

	<u>Emergency Vehicle</u>	<u>Road</u>	<u>Fire and Ambulance</u>	<u>Garbage</u>
<u>Assets</u>				
Cash in bank	23 108 92	5 873 41	3 232 84	24 633 91
Due from other funds	<u>14 822 35</u>	<u>39 244 01</u>	<u>19 432 71</u>	<u>7 080 00</u>
Total Assets	<u><u>37 931 27</u></u>	<u><u>45 117 42</u></u>	<u><u>22 665 55</u></u>	<u><u>31 713 91</u></u>
<u>Liabilities and Fund Balances</u>				
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Unreserved:				
Undesignated	<u>37 931 27</u>	<u>45 117 42</u>	<u>22 665 55</u>	<u>31 713 91</u>
Total fund balances	<u><u>37 931 27</u></u>	<u><u>45 117 42</u></u>	<u><u>22 665 55</u></u>	<u><u>31 713 91</u></u>
Total Liabilities and Fund Balances	<u><u>37 931 27</u></u>	<u><u>45 117 42</u></u>	<u><u>22 665 55</u></u>	<u><u>31 713 91</u></u>

Total

56 849 08

80 579 07

137 428 15

-

-

137 428 15

137 428 15

137 428 15

TOWNSHIP OF WISNER
Tuscola County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – ALL SPECIAL REVENUE FUNDS
Year Ended March 31, 2006

	<u>Emergency Vehicle</u>	<u>Road</u>	<u>Fire and Ambulance</u>	<u>Garbage</u>
Revenues:				
Property taxes	14 822 35	39 244 01	19 432 71	-
Special assessments	-	-	-	42 240 00
Interest	<u>179 51</u>	<u>197 59</u>	<u>89 24</u>	<u>33 91</u>
Total revenues	<u>15 001 86</u>	<u>39 441 60</u>	<u>19 521 95</u>	<u>42 273 91</u>
Expenditures:				
Public safety:				
Fire and ambulance protection:				
Contracted services	3 724 14	-	23 818 75	-
Public works:				
Highways and streets:				
Contracted services	-	37 228 79	-	-
Sanitation:				
Contracted Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>10 560 00</u>
Total expenditures	<u>3 724 14</u>	<u>37 228 79</u>	<u>23 818 75</u>	<u>10 560 00</u>
Excess (deficiency) of revenues over expenditures	11 259 72	2 212 81	(4 296 80)	31 713 91
Fund balances, April 1	<u>26 671 55</u>	<u>42 904 61</u>	<u>26 962 35</u>	<u>-</u>
Fund Balances, March 31	<u>37 931 27</u>	<u>45 117 42</u>	<u>22 665 55</u>	<u>31 713 91</u>

Total

73 499 07

500 25

42 240 00

116 239 32

27 560 89

37 228 79

10 560 00

75 349 68

40 889 64

96 538 51

137 428 15

TOWNSHIP OF WISNER
Tuscola County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended March 31, 2006

	<u>Balance</u> <u>4/1/05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3/31/06</u>
<u>Assets</u>				
Cash in Bank	<u>96 304 64</u>	<u>502 955 33</u>	<u>502 556 30</u>	<u>96 703 67</u>
<u>Liabilities</u>				
Due to other funds	96 304 64	131 397 30	131 535 48	96 703 67
Due to other taxing units	<u>-</u>	<u>371 558 03</u>	<u>371 020 82</u>	<u>-</u>
Total Liabilities	<u>96 304 64</u>	<u>502 955 33</u>	<u>502 556 30</u>	<u>96 703 67</u>

TOWNSHIP OF WISNER
Tuscola County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Year Ended March 31, 2006

Cash on hand and in bank – beginning of year	<u>96 304 64</u>
Cash receipts:	
Current property tax	497 438 87
Property tax administration fees	4 973 05
Interest	<u>543 41</u>
Total cash receipts	<u>502 955 33</u>
Total beginning balance and cash receipts	<u>599 259 97</u>
Cash disbursements:	
Township General Fund	24 823 69
Township Road Fund	38 204 18
Township Fire and Ambulance Fund	18 917 41
Township Emergency Vehicle Fund	14 430 20
Township Garbage Fund	35 160 00
Tuscola County	162 199 79
Unionville – Sebewaing Area Schools	73 994 42
Akron – Fairgrove Schools	50 760 63
Tuscola Intermediate School District	76 756 71
Fairgrove District Library	7 164 88
Refunds	<u>144 39</u>
Total cash disbursements	<u>502 556 30</u>
Cash on Hand and in Bank – End of Year	<u><u>96 703 67</u></u>

CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**MARK J. CAMPBELL, CPA
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AUDIT COMMUNICATION AND REPORT OF COMMENTS AND RECOMMENDATIONS

May 9, 2006

To the Township Board
Township of Wisner
Tuscola County, Michigan

We have audited the financial statements of the Township of Wisner, for the year ended March 31, 2006. As required by auditing standards generally accepted in the United States, the independent auditor is required to make several communications to the governing body having oversight responsibility for the audit. The purpose of this communication is to provide you with additional information regarding the scope and results of our audit that may assist you with your oversight responsibilities of the financial reporting process for which management is responsible.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES

We conducted our audit of the financial statements of the Township of Wisner in accordance with auditing standards generally accepted in the United States. The following paragraph explains our responsibilities under those standards.

Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising an internal control structure that will, among other things, help assure the proper recording of transactions. The transactions that should be reflected in the accounts and in the financial statements are matters within the direct knowledge and control of management. Our knowledge of such transactions is limited to that acquired through our audit. Accordingly, the fairness of representations made through the financial statements is an implicit and integral part of management's accounts and records. However, our responsibility for the financial statements is confined to the expression of an opinion on them. The financial statements remain the responsibility of management.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than those items of lesser importance or those in which the possibility of material error is remote.

For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

An independent auditor's objective in an audit is to obtain sufficient competent evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or fraud. The existence of that risk is implicit in the phrase in the audit report, "in our opinion."

In the audit process, we gain an understanding of the internal control structure of an entity for the purpose of assisting in determining the nature, timing, and extent of audit testing. Our understanding is obtained by inquiry of management, testing transactions, and observation and review of documents and records. The amount of work done is not sufficient to provide a basis for an opinion on the adequacy of the internal control structure.

To the Township Board
Township of Wisner
Tuscola County, Michigan

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described in Note 1 to the financial statements.

OTHER COMMUNICATIONS

Auditing standards call for us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or because of the possibility that future events affecting them may differ markedly from management's current judgments; 2) Significant audit adjustments that may not have been detected except through the auditing procedures we performed; 3) Disagreements with management regarding the scope of the audit or application of accounting principles; 4) Consultation with other accountants; 5) Major issues discussed with management prior to retention; and 6) Difficulties encountered in performing the audit.

We have no significant issues, regarding these matters, to report to you at this time. Audit adjustments were minimal, and are available to review.

GASB 34 IMPLEMENTATION

The Governmental Accounting Standards Board issued a new reporting model for governmental units which was required to be implemented for the fiscal year ended March 31, 2006. The implementation of this pronouncement for the Township of Wisner began with the fiscal year ended March 31, 2006. The daily operations and recording transactions did not change significantly, however, the Township is required to maintain additional records for the year end adjustments to the final presentation format.

COMMENTS AND RECOMMENDATION REGARDING INTERNAL CONTROLS/ COMPLIANCE/ EFFICIENCY

Our procedures disclosed the following conditions that we would like to bring to your attention:

SEGREGATION OF DUTIES

A separation of duties between persons who authorize transactions and persons who have control over the related assets does not always exist.

The least desirable accounting system is one in which an employee is responsible for executing the transaction and then recording the transaction from its origin to its ultimate posting in the General Ledger. This increases the likelihood that intentional or unintentional errors will go undetected. In most cases, adequate segregation of duties substantially increases control over errors without duplication of effort.

We understand that due to the size of needed staff, a proper segregation of duties may be impractical and the "cost to benefit" relationship may not justify the addition of accounting staff to accomplish the desired segregation.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the Township's financial statements and this communication of these matters does not affect our report on the Township's financial statements, dated March 31, 2006.

SUMMARY

We welcome any questions you may have regarding the foregoing comments and we would be happy to discuss any of these or other questions that you might have at your convenience.

Sincerely,

Campbell, Kusterer & Co., P.C.
CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants